

WORKING FAMILIES & SMALL BUSINESS HEALTH COVERAGE ACT

Over 100,000 Uninsured Marylanders Will Now Be Covered

SMALL BUSINESS BENEFITS

Create new small business benefit designs

- Develop “wellness benefit designs” that encourages wellness and prevention
- Available to all small businesses in the state
- Provide employees with either financial incentives or reduced cost sharing in return for active efforts to improve their health and manage chronic disease

Assist very small low wage firms to offer insurance

- To be eligible for a subsidy to purchase insurance, the employer must be:
 - ✓ A very small firms (2-9 full time employees)
 - ✓ Have average wages below about \$50K
 - ✓ Have not offered insurance to their employees in the previous 12 months
 - ✓ Willing to offer health insurance benefits that include the wellness benefit design and Section 125 premium-only plan so that the employee’s contribution to premium is excluded from income and not taxed
- Benefits
 - ✓ Maximum premium subsidy for each low wage employee will be the lower of \$2000 or 50% of the premium
 - ✓ Subsidy will be divided between the employer and the employee based on the contribution each makes toward the premium
- Enrollment is capped to stay within a budget of \$30 million

Over 15,000 covered

WORKING FAMILIES

Expand Medicaid Coverage for very poor adults

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| Year 1: | Expand coverage to parents with family incomes up to 116% FPL (\$20K/family 3) |
| Year 2-3: | Expand services to Primary Adult Care program – childless adults under 116% FPL (\$12K for individual) |
| Year 4: | Full Medicaid coverage for all poor adults to 116% FPL |

Over 92,000 covered when fully implemented



Responsible Financing

- Pay as you go: The full phase-in of the expansion is tied to the availability of funds. Medicaid enrollment of childless adults may be capped or benefits may be limited to stay within budget
- More efficient financing:
 - ✓ Maryland payers already finance over \$800 million in hospital uncompensated care annually
 - ✓ Expand insurance coverage and lower hospital uncompensated care.
 - ✓ Some of these savings will be used to expand insurance coverage in future years and some will lower hospital rates
 - ✓ The majority of funding for the expansion will be generated by savings in hospital uncompensated care and federal matching funds
- Maximize use of existing resources: The Working Families and Small Business Coverage Act transfers \$75 million from the Maryland Health Insurance Plan to fund the expansions

OTHER HEALTH CARE REFORM INITIATIVES

Improve Quality & Contain Cost

- Created Maryland Health Care Quality and Cost Council chaired by Lieutenant Governor Anthony Brown to:
 - ✓ Coordinate and facilitate collaboration on health care quality improvement and cost containment initiatives
 - ✓ Make recommendations on health care quality and cost containment initiatives and priorities to policy makers, state and local governmental entities, professional boards, the Maryland Patient Safety Center, industry groups, consumers and other stakeholders
 - ✓ Develop a chronic care management plan to improve the quality and cost effectiveness of care for individuals with, or at risk for, chronic disease.
 - ✓ Facilitate the integration of health information technology in health care systems
 - ✓ Examine and make recommendations regarding other issues relating generally to the Council's mission to improve health care quality and reduce costs
- Accelerate adoption of Health Information Technology by:
 - ✓ MHCC Request for Applications on Citizen-Centric Health Information Exchange for Maryland to provide funding for planning projects related to a statewide health information exchange
 - ✓ Funding to build best design for health information exchange with \$10 million in funds through Maryland's All-Payer System
 - ✓ Charge Access and Reimbursement Task Force to examine payment incentives for provider adoption of information technology